

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :
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 - against - :
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 MICHAEL WATTS :
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 Defendant. :
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Docket No. 17-372 (JS)

MEMORANDUM FOR MOTION *IN LIMINE*

(Central Registration Depository Record Relating to Mr. Watts since 1989)

JOSEPH W. RYAN, JR., P.C.

By: 

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Attorneys for Defendant

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SATEMENT OF THE CASE

On Monday, October 21, 2019, the government intends to offer the Central Registration Depository Reports (CRD) concerning complaints and dispositions of customer complaints when Mr. Watts served as a registered licensed broker in the securities industry. The offer will be made through Deborah Oremland, called as an expert and summary witness. See. ECF 483. There are five customer complains that were resolved by Arbitration between 1989and 1999 when Mr. Watts was employed by several brokerage firms.

On August 11, 1989, when employed at Lehman Brothers, a settlement of \$2750 was reached for the customer based upon allegations of unsuitable transactions. On October 19, 1999, when Mr. Watts was employed at Kemper Securities, \$110,000 was awarded to the customer against Mr. Watts and others, jointly and severally. On June 13, 1991 when Mr. Watts was employed at Shearson Lehman \$5,500 was awarded to a customer, and July 5, 1991, \$86,000 was awarded to another customer of which Mr. Watts was obligated to pay \$16,000. On October 19, 1999 when Mr. Watts was employed at Texas Capital Securities, a customer was awarded \$76,500 against Mr. Watts and four others, jointly and severally.

Effective July 17, 2000 Mr. Watts license was suspended because he failed to pay the \$16,000 award imposed on July 5, 1991. Mr. Watts did not return to his career as a stockbroker.

The CRD incorporate two SEC lawsuits, one commenced in the EDNY (No. 17- 413) and the other in the Southern District of Texas (No.17-539). Both cases are pending.

THE CDR INFORMATION SHOULD BE EXCLUDED

No information contained in the CDR has any tendency to prove the “matched trades” or money laundering allegations in the indictment. All the information is intended to smear Mr. Watts’ reputation before the jury and to deny him a fair trial. Since the information fails to establish a “fact ...of consequence in determining the action” Fed. R. Evid. 401 (b) it should be barred.

Assuming without conceding the relevancy of this information, it should nonetheless be barred as “unduly prejudicial, confusing the issues, and misleading the jury,” pursuant to Fed. R. Evid. 403. The Second Circuit has held that “a trial judge is given broad discretion to weigh these competing interests because [she] is in a superior position to evaluate all of the circumstances connected with them, ‘since [she] sees the witnesses, defendant, jurors, and counsel, and their mannerisms.’” *United States v. Jamil*, 707 F.2d 638, 642 (1983). As the government winds up its case on Monday, October 21, 2019, there exists no sound reason why the jury’s attention should be diverted from the key factual issues to be decided concerning the alleged “matched trades” and money laundering allegations.

CONCLUSION

The CDR information should be barred.

Dated: Melville, NY 11747
October 21, 2019

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